

## Rev and Tax - Tax Commission, State Management Services

### Description:

The General Services Division provides for department-wide support services, policy development, and computer services. Support services include accounting, purchasing, agency copy center, and forms design. Also included in this program is Human Resources and Public Information. Public Information handles public and media inquiries and coordinates Commission publications and news releases.

### Major Functions and Targeted Performance Standard(s) for Each Function:

1. Improve the quality, quantity, and clarity of information the agency provides.
  - A. Develop a process for reviewing and updating of brochures, educational material, forms, and other correspondence.

Actual Results			
1998	1999	2000	2001
95%	100%	100%	100%
Projected Results			
2002	2003	2004	2005
90%	100%	100%	100%

2. Improve customer education and outreach.
  - A. Develop a centralized outreach program to coordinate agency education efforts for taxpayers and other stakeholders.

Actual Results			
1998	1999	2000	2001
75%	90%	95%	100%
Projected Results			
2002	2003	2004	2005
100%	100%	100%	100%

3. Increase the percentage of data exchanged, processed, and managed electronically.
  - A. Expand electronic commerce capabilities such as electronic tax filing, electronic mail, electronic payment, information retrieval, and information exchange (EDI).

Actual Results			
1998	1999	2000	2001
30%	45%	55%	65%
Projected Results			
2002	2003	2004	2005
75%	85%	95%	95%

4. Provide a flexible and responsive information technology infrastructure.
  - A. Update existing systems (CATS) and expand computer and network capability.

Actual Results			
1998	1999	2000	2001
-	-	5%	60%
Projected Results			
2002	2003	2004	2005
80%	100%	100%	100%

## Rev and Tax - Tax Commission, State Management Services

---

5. Provide optimal training for agency staff.  
A. Develop an agency training program that meets the needs and enhances the skills of agency staff.

Actual Results			
1998	1999	2000	2001
50%	95%	100%	100%
Projected Results			
2002	2003	2004	2005
100%	100%	100%	100%

6. Develop innovative methods to reward staff for excellence or special accomplishments.  
A. Use existing personnel committees to study reward system and make recommendations.

Actual Results			
1998	1999	2000	2001
	75%	90%	100%
Projected Results			
2002	2003	2004	2005
100%	100%	100%	100%

7. Ensure equity and uniformity of policies and implementation of statutes.  
A. Better identify policy issues and ensure communication with staff.

Actual Results			
1998	1999	2000	2001
100%	100%	100%	100%
Projected Results			
2002	2003	2004	2005
100%	100%	100%	100%

**Program Results and Effect:**

The effect of the General Services program is the efficient use of resources to support the Tax Commission mission.

The Commission continued to propose changes to the legislature to enhance the tax code. To achieve compliance with the tax law, the law must be clear, concise, and perceived as fair. Thorough annual review of the tax code will enhance compliance with the law.

Support Services completed phase 1 of the implementation of a fully integrated accounting system in FY01. This phase integrated the budget, expenditure, purchasing, and revenue processing in one integrated commercial off-the-shelf product (Navision). Future phases will add fixed asset tracking, perpetual inventory, and human resources. We anticipate that the future phases will be fully implemented in FY 02.

Human Resources developed a supervisory training plan for the 2001 calendar year. Training topics include: Agency policies & procedures, personnel action requests, filling positions, disciplinary process, and the FMLA & donated leave program. Human resources developed and presented to all employees training on "change management" to help employees deal with the many changes created by the use of the new GenTax software. HR also coordinated a presentation by Harry Chambers, a renowned consultant, for managers and supervisors on successfully managing bad attitudes, poor performance, and organization change. Over 12 managers and supervisors, from the central and field offices, are enrolled and participating in the Certified Public Manager's programs.

Information Technology, along with all other agency departments, is engaged in a project called CATS (Convert All Tax Systems) that will replace our aging and functionally limited tax processing system. The new system, called GenTax, is a commercial, off-the-shelf (COTS) software created specifically for taxing authorities. Idaho is the first U.S. state to adopt this software, and the COTS approach to tax processing system modernization. Compared to the traditional "design build" model for tax system modernization, the COTS approach is saving millions of dollars and years of development and project time. When completed near the end of FY02, the new system will dramatically improve the effectiveness and efficiency of the agency in tax administration and service delivery, and position the agency to accommodate the demands of "e-government" that we know will be placed upon us in the future. Even prior to completion, this project is serving as a model for other state revenue departments and other Idaho agencies. The agency has been visited by several other jurisdictions interested in learning about the COTS approach and the GenTax software, and we have been asked to make presentations at several national conferences.

Also in FY01, Information Technology completed a network operating system software migration from Novell to Microsoft NT and Windows 2000 Server. Agency desktop computers were upgraded from Windows 95 to Windows 2000, all to facilitate and provide a solid infrastructure for the new GenTax system. Hardware and software was installed to provide a VPN (Virtual Private Network) to allow traveling and work-at-home staff secure access to agency automated systems, and this capability is expected to be fully operational early in FY02. Agency electronic switching equipment was upgraded, sever monitoring software was installed, and additional bandwidth (communications capacity) was acquired for our North Idaho field offices. Finally, eight new servers were installed that form the base architecture and processing power for GenTax. These servers will replace the current processing equipment and software by the end of FY02.

Public Information continued revising and enhancing the Tax Commission's Web site, which earned an Idaho Press Club award for general excellence. Major additions in FY01 included: a dedicated Web page for truckers operating under the International Fuels Tax Agreement, commonly used income tax forms that could be filled in online and printed, and expanded information about electronic filing opportunities for business as well as individual taxpayers.

For more information contact William Hart at 334-7507.

## Rev and Tax - Tax Commission, State

### Audit and Collections

#### Description:

The Audit and Collections Division provides direct taxpayer service to the public from the administrative office in Boise as well as 5 field office locations; collects delinquent taxes and conducts audits on virtually all tax types administered by the agency, by authority of Idaho Code and the Multi-State Tax Compact; conducts discovery and enforcement efforts directed at no filers; administers Idaho Unclaimed Property statutes.

#### Major Functions and Targeted Performance Standard(s) for Each Function:

1. Expand and improve the services the agency provides.

A. Develop a customer information survey.

Actual Results			
1998	1999	2000	2001
0%	100%	100%	100%
Projected Results			
2002	2003	2004	2005
100%	100%	100%	100%

2. Improve customer education and outreach.

A. Improve taxpayer access to state and federal tax assistance and other government agency registration requirements.

Actual Results			
1998	1999	2000	2001
100%	100%	100%	100%
Projected Results			
2002	2003	2004	2005
100%	100%	100%	100%

3. Improve communication and coordination and foster partnerships with agency stakeholders.

A. Take a leadership role in interagency projects that improve dissemination of information to stakeholders or simplify taxpayer registration requirements.

Actual Results			
1998	1999	2000	2001
100%	100%	100%	100%
Projected Results			
2002	2003	2004	2005
100%	100%	100%	100%

4. Implement educational audit/compliance reviews.

A. Establish a statewide managed/self-audit program.

Actual Results			
1998	1999	2000	2001
	100%	100%	100%
Projected Results			
2002	2003	2004	2005
100%	100%	100%	100%

**Rev and Tax - Tax Commission, State**  
**Audit and Collections**

5. Increase timeliness, consistency, and scope of our enforcement efforts.  
A. Implement procedures and processes that encourage individuals to get back into and remain in compliance.

Actual Results			
1998	1999	2000	2001
100%	100%	100%	100%
Projected Results			
2002	2003	2004	2005
100%	100%	100%	100%

6. Improve audit, enforcement, and investigation processes.  
A. Increase use of technology to improve enforcement efforts.

Actual Results			
1998	1999	2000	2001
100%	100%	100%	100%
Projected Results			
2002	2003	2004	2005
100%	100%	100%	100%

- B. Use a post-audit survey to obtain taxpayer feedback to improve audit effectiveness.

Actual Results			
1998	1999	2000	2001
100%	100%	100%	100%
Projected Results			
2002	2003	2004	2005
100%	100%	100%	100%

- C. Increase nonresident enforcement through audit/nexus investigations.

Actual Results			
1998	1999	2000	2001
100%	100%	100%	100%
Projected Results			
2002	2003	2004	2005
100%	100%	100%	100%

## Rev and Tax - Tax Commission, State

### Audit and Collections

---

#### Program Results and Effect:

In FY01, the Audit and Collections Division started to see improvements in the audit and enforcement business processes due to the third year of the CATS project (Convert All Tax Systems). The new GenTax system provides instantaneous access to more taxpayer information and improved the tracking and documentation of taxpayer accounts.

Taxpayer feedback, through not in the form of a formal customer survey, is gained from comments generated via the agency's web site. Taxpayers now have the ability to ask questions, comment on what they like, ask for improvements, and receive a response with 24 hours. From last year, taxpayer input has increased 24%. The agency's Education and Outreach Committee increased the number of presentations by 65% to 99 presentations for the year. Of particular note were the "Right Track" classes that are given throughout the state to educate new tax permit holders on forms and filing responsibilities. The participation in the one-hour class has steadily increased each month. We have added the most popular brochures to the agency's web site and added the ability for taxpayers to pay their taxes using a credit card. Because the audits this year were more detailed, the number of Managed Audits and Intern Audits completed decreased to 368.

The Division continued to assist taxpayers by:

Manning Post Offices during the final days of the tax season.

Offering drive-by collection of Federal and State tax returns at our Boise office.

Increasing participation and support for the Volunteer Income Tax Assistance (VITA) program which assists elderly and low-income taxpayers statewide.

Manning small business fairs.

We continued to work with the IRS to meet the "Common Criteria" security requirements for shared data.

To better serve taxpayers we developed, with two other state agencies, an electronic version of our business permit application.

The number of holders of Unclaimed Property grew to nearly 60,000, which is a 42% increase from last year. The new GenTax system will automate many of the manual functions for Unclaimed Property such as mailing notices and receipting of returns.

Post audit surveys, which are institutionalized and ongoing, are used as an important source of feedback to improve our audit processes. During the year the number of non-resident audits increased by more than 100%.

Considerable divisional resources were committed to our third year of a four year relational database migration, dubbed "CATS", for Convert All Tax Systems. Conversion of nearly all tax systems used by the division commenced after our successful Y2K program. Upon completion, the new system; using technology, will increase the division's ability to coordinate audit and enforcement efforts and streamline processes to keep individuals in compliance.

For more information contact William Hart at 334-7507.

## Rev and Tax - Tax Commission, State

### Revenue Operations

#### Description:

The Revenue Operations Division provides citizens with opportunities to voluntarily file returns, pay on time, and receive prompt refunds. Services include: postal services providing mailing services for the entire agency, receipting of tax documents and payments, account registration and maintenance, records management, and other tax revenue related services.

#### Major Functions and Targeted Performance Standard(s) for Each Function:

1. Increase the percentage of data exchanged, processed, and managed electronically.
  - A. Expand electronic data capture, storage, and retrieval technologies.

Actual Results			
1998	1999	2000	2001
30%	45%	55%	65%
Projected Results			
2002	2003	2004	2005
75%	85%	95%	95%

- B. Expand telecommunications alternatives for paper tax filings.

Actual Results			
1998	1999	2000	2001
75%	100%	100%	100%
Projected Results			
2002	2003	2004	2005
100%	100%	100%	100%

#### Program Results and Effect:

The commission has successfully implemented E-File programs to provide better service to taxpayers. Our most popular and successful have been the Individual Income programs. For tax year 2000 taxpayer's e-filed 130,855 returns, which is 24% of all individual income returns received.

Our State Tax Electronic Pay System (STEPS) program, using electronic funds transfer or credit cards to pay taxes, resulted in almost \$1.3 billion dollars being handled electronically. This represents 41.8% of the gross revenue from all taxes. During FY01 the Commission realized for the very first time, a reduction in paper returns and payments due to our E-File and E-Pay processes.

During FY02 the Commission will add three new processes. In September 2001 the Commission will implement an image remittance processing system that will improve our deposit process and provide an image retrieval process for all payments, sales, and withholding documents. In October taxpayers will be able to use the Access Idaho Internet site to pay taxes by credit card. This additional payment method will supplement our existing walk-in or phone-in systems. In January 2002, Access Idaho will also provide taxpayers a free site to electronically file the Idaho Form 40EZ.

Future enhancements will be to encourage our business taxpayers to file more Sales, Withholding, Income Tax, and Corporate Income taxes electronically and to implement full-page imaging for some taxes.

For more information contact William Hart at 334-7507.

## Rev and Tax - Tax Commission, State County Support

---

### Description:

County Support provides oversight and technical support in the administration of the property tax system, working to ensure fair, equitable and accurate property taxation. Services include education in property tax assessment administration and appraisal, property appraisal research, forest land and forest products' appraisal, day-to-day support to county elected officials, ratio study review and recommendations, operating property appraisal, and budget and levy review and approval.

### Major Functions and Targeted Performance Standard(s) for Each Function:

1. Expand and improve the services the agency provides.
  - A. Consult with the Assessor's Education Committee, the Examination Committee, and the Idaho Association of Assessment Personnel to develop and provide education, training, and certification programs that meet county and state needs.

Actual Results			
1998	1999	2000	2001
100%	100%	100%	100%
Projected Results			
2002	2003	2004	2005
100%	100%	100%	100%

2. Provide a flexible and responsive information technology structure.
  - A. Expand the Geographical information System.

Actual Results			
1998	1999	2000	2001
50%	56%	66%	75%
Projected Results			
2002	2003	2004	2005
85%	95%	99%	99%

### Program Results and Effect:

The primary goal of the Division is to ensure that all property owners receive equal application of the Idaho property tax laws and that these laws are administered as efficiently and effectively as possible.

The County Support Division in FY01 continued to monitor the administration of property tax law in Idaho to ensure that the property tax burden of all taxpayers is fair and equitable. We conduct an annual ratio study to ensure that each jurisdiction is estimating property values at the current market level so that all taxpayers bear an equitable burden under the law. The Division appraised operating properties and utilities that may be located in multiple jurisdictions (Centrally Assessed Properties).

The Division continues to provide quality training for the counties with annual summer and winter schools. During FY01, the education program continued to provide several more regional offerings for the counties. Additional appraisal seminars and workshops were presented for the benefit of assessors and their staff by the Division's consulting appraiser team.

Expansion of the Geographical Information System continues. Through 2000, the Commission had helped 30 counties in their computer mapping programs. At the end of FY01, the number of counties currently being assisted is 32.

For more information contact Laurel Williams at 334-7515.